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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/045,658	10/26/2001	Ty Sagalow	10251-056	9893
21890	7590	01/06/2006	EXAMINER	
PROSKAUER ROSE LLP PATENT DEPARTMENT 1585 BROADWAY NEW YORK, NY 10036-8299			GLASS, RUSSELL S	
			ART UNIT	PAPER NUMBER
			3626	

DATE MAILED: 01/06/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No.	Applicant(s)
	10/045,658	SAGALOW ET AL.
	Examiner	Art Unit
	Russell S. Glass	3626

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

1)  Responsive to communication(s) filed on 26 October 2001.

2a)  This action is FINAL.                            2b)  This action is non-final.

3)  Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

4)  Claim(s) 1-12 is/are pending in the application.  
4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5)  Claim(s) \_\_\_\_\_ is/are allowed.

6)  Claim(s) 1-12 is/are rejected.

7)  Claim(s) \_\_\_\_\_ is/are objected to.

8)  Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

9)  The specification is objected to by the Examiner.

10)  The drawing(s) filed on \_\_\_\_\_ is/are: a)  accepted or b)  objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)  The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)  Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a)  All    b)  Some \* c)  None of:  
1.  Certified copies of the priority documents have been received.  
2.  Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3.  Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1)  Notice of References Cited (PTO-892)  
2)  Notice of Draftsperson's Patent Drawing Review (PTO-948)  
3)  Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 1/12/2003.  
4)  Interview Summary (PTO-413)  
Paper No(s)/Mail Date.       .  
5)  Notice of Informal Patent Application (PTO-152)  
6)  Other:       .

## DETAILED ACTION

### ***Claim Objections***

1. Claim 1 is objected to because of the following informalities: there are two sections labeled (a) in claim 1. The sections of claim 1 are referred to as sections (a) - (f) for examination purposes.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

2. Claims 1-12 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Independent claim 1 claims a product and process in the same claim. A single claim which claims both an apparatus and the method steps of using the apparatus is indefinite under 35 U.S.C. 112, second paragraph. In Ex parte Lyell, 17 USPQ2d 1548 (Bd. Pat. App. & Inter. 1990).

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-12 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 1 is rejected under 35 U.S.C. 101 based on the theory that the claim is directed to neither a "process" nor a "machine," but rather embraces or overlaps two different statutory classes of invention set forth in 35 U.S.C. 101 which is drafted so as to set forth the statutory classes of invention in the alternative only. *Id.* at 1551.

Claim 1 appears to be directed toward an insurance policy. However, it is unclear as to which recognized statutory class of invention the "internet insurance product" of claim 1 is directed. In particular, an "internet insurance product" is not a process or method, as it lacks a series of steps. An "internet insurance product" is not a machine or system, as there is no specific recitation of machine or system components. An "internet insurance product" is not recognized as a composition of matter. An "internet insurance product" per se is merely a collection of the financial, legal, or administrative rights and obligations of the parties involved. Since these rights and obligations are typically fixed in some tangible medium (e.g., paper), a possible category for a "policy/product" may be "article of manufacture". However, if the claimed insurance policy fails to qualify as an "article of manufacture", the insurance policy is merely a collection of data, which is not suitable for patent protection under 35 U.S.C. 101.

Additionally, claim 1, as presently recited, does not appear to have a concrete result. The requirements of 35 U.S.C. 101 are met when "the practical application of the abstract idea produces a useful, concrete, and tangible result" (*State Street Bank &*

*Trust Co. vs. Signature Financial Group, Inc.*, 47 USPQ2d 1596, 1601-02 (Fed. Cir. 1998)). In general, an insurance policy/product is conceptually useful for securing funds needed after the loss of (or damage to) properties and/or other casualties. However, because the present application is directed to an abstract collection of legal obligations and financial compensation for damages, it is unclear whether the claimed insurance product can be repeatable and predictable (and thus, concrete). Further, the present application serves to generate an insurance policy based on the risks associated with conducting business over the Internet, but the type and nature of coverage are determined by subjective selection of coverage by the consumer and are therefore not repeatable, i.e., concrete.

In conclusion, the claimed invention fails to satisfy the requirements of 35 U.S.C. 101 on two separate and distinct grounds. It is respectfully submitted that in addition to failing to define a statutory class of invention, the claimed invention, although useful, fails to produce a concrete result, and thus fails to recite the practical application of an abstract idea.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. **Claims 1, 6, 9-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cianciarulo et al., (U.S. 6,922,720), in view of Bauer et al., (U.S. Pub. 2002/0116228), and further in view of Luchs et al., (U.S. 4,831,526), and further in view of Daniel S. Levine, *Cargo Insurance, World Trade, August 1997* ("Levine"), and further in view of Bachman, (U.S. 6,315,196).**

5. As per claim 1, the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman discloses a suite of products and services for facilitating an online business transaction, said suite comprising:

- a. an Internet insurance product for said online business transaction, (Cianciarulo, Fig. 2; col. 1, lines 13-59)
- b. an online sale process for said Internet insurance product, (Bauer, ¶¶ 5-10)
- c. a goods inspection service for said online business transaction, (Luchs, col. 9, line 55- col. 10, line 66; col. 16, line 42-col. 17, line 5; col. 17, lines 45-65).
- d. a cargo insurance product for said online business transaction, (Daniel S. Levine, *Cargo Insurance, World Trade, August 1997* at 44-45.)
- e. a trade credit insurance product for said online business transaction, (Bachman, col. 1, lines 15-34) and
- f. an identity assurance product for said online business transaction, wherein said suite of products and services are accessible online, (Bauer, Fig. 1; ¶ 94-96).

It would have been obvious to one of ordinary skill in the art to combine Cianciarulo and Bauer. The motivation would have been to create an automated, on-line insurance policy service, (Bauer, ¶ 4).

It would be obvious to one of ordinary skill in the art at the time of the invention to combine the collective system of Bauer and Cianciarulo with Luchs. The motivation would be to retrieve or generate data to further define the risk, such data being reports, inspections, appraisals, quality control reports, and other risk-control measures. (Col. 8, lines 12-16; Col. 9, line 55 - Col. 10, line 66; col. 16, line 42- Col. 17, line 5; Col. 17, lines 45-65).

It would be obvious to one of ordinary skill in the art at the time of the invention to combine the collective system of Bauer, Cianciarulo and Luchs with Levine. The motivation would have been to make cargo insurance for computer goods easy to find, (Levine, p. 3, ¶ 5).

It would be obvious to one of ordinary skill in the art at the time of the invention to combine the collective system of Bauer, Cianciarulo, Luchs and Levine with Bachman. The motivation would have been to allow a customer service representative to manage credit insurance in a system that interacts with existing hardware in a seamless manner, (Bachman, col. 1, lines 54-59).

6. As per claim 6, Luchs further discloses a goods inspection service wherein said goods inspection service comprises inspection, testing, certification and quality assurance, (Luchs, col. 9, line 55- col. 10, line 66; col. 16, line 42-col. 17, line 5; col. 17, lines 45-65).

The motivation to create the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman is as provided in the rejection of claim 1 and incorporated herein by reference.

7. As per claim 7, Levine further discloses a cargo insurance product wherein said cargo insurance product is purchased online for a single shipment, (Levine, 44-45).

The motivation to create the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman is as provided in the rejection of claim 1 and incorporated herein by reference.

8. As per claim 8, Levine further discloses a cargo insurance product wherein said cargo insurance product covers air, sea, road, rail and barge shipments, (Levine 44-45).

The motivation to create the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman is as provided in the rejection of claim 1 and incorporated herein by reference.

9. As per claim 9, Bachman discloses a trade insurance wherein said trade credit insurance product comprises online services, including credit analysis, risk management, portfolio monitoring, billing and recovery services, (Bachman, col. 1, lines 15-34, col. 2, lines 6-20; col. 3, lines 23-33; col. 5, lines 1-25; col. 6, lines 42-62; col. 13, lines 29-43).

The motivation to create the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman is as provided in the rejection of claim 1 and incorporated herein by reference.

10. As per claim 10, Bauer further discloses an identity insurance product wherein said identity assurance product comprises authenticated identification of participants in said online business transaction, (Bauer, Fig. 1; ¶ 94-96).

The motivation to create the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman is as provided in the rejection of claim 1 and incorporated herein by reference.

11. As per claim 11, Cianciarulo discloses a suite of products and services wherein said suite is accessible in a network environment, such as a LAN or a WAN, (Cianciarulo, *passim*).

The motivation to create the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman is as provided in the rejection of claim 1 and incorporated herein by reference.

12. As per claim 12, Cianciarulo discloses a suite of products and services wherein said suite is in digital media form, (Cianciarulo, col. 2, lines 45-52).

The motivation to create the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman is as provided in the rejection of claim 1 and incorporated herein by reference.

13. **Claims 2, 4, 5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cianciarulo et al., (U.S. 6,922,720), in view of Bauer et al., (U.S. Pub. 2002/0116228), and further in view of Luchs et al., (U.S. 4,831,526), and further in view of Daniel S. Levine, *Cargo Insurance*, World Trade, August 1997 ("Levine"), and further in view of Bachman, (U.S. 6,315,196), and further in view of Jeffery A. Siderius, *Insurance for Electronic Data Risks: An Idea Whose Time Has Come?*, Mealeys Technology Litigation and insurance, March 1999, Vol. 1#1, ("Siderius").**

14. As per claim 2, Siderius discloses an Internet insurance product wherein said Internet insurance product covers web content liability, (Siderius, ¶¶ 1, 4, 5, 9, 10).

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman with Siderius. The motivation would have been to make internet insurance more rapidly accessible to customers, (Siderius, p. 1, ¶ 4).

15. As per claim 4, Siderius discloses an Internet insurance product wherein said Internet insurance product covers network security liability, (Siderius, ¶¶ 1, 4, 5, 9, 10).

The motivation to add Siderius to the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman is as provided in the rejection of claim 2 and incorporated herein by reference.

16. As per claim 5, Siderius discloses an Internet insurance product wherein said Internet insurance product covers cyber extortion, (Siderius, ¶¶ 7,8).

The motivation to add Siderius to the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman is as provided in the rejection of claim 2 and incorporated herein by reference.

**17. Claim 3 is rejected under 35 U.S.C. 103(a) as being unpatentable over Cianciarulo et al., (U.S. 6,922,720), in view of Bauer et al., (U.S. Pub. 2002/0116228), and further in view of Luchs et al., (U.S. 4,831,526), and further in view of Levine, and further in view of Bachman, (U.S. 6,315,196), and further in view of Martin et al., (U.S. 6,862,571).**

18. As per claim 3, Martin discloses an insurance product wherein said insurance product covers professional errors and omissions, (Martin, col. 2, line 25-col. 3, line 12; col. 5, lines 50-58).

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the collective system of Cianciarulo, Bauer, Luchs, Levine and Bachman with Martin. The motivation would have been to generate a professional liability insurance quote without having the professional fill out an application, (Martin, col. 2, lines 29-33; col. 5, lines 50-58).

### ***Conclusion***

19. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Russell S. Glass whose telephone number is 571-272-3132. The examiner can normally be reached on M-F 8-5.

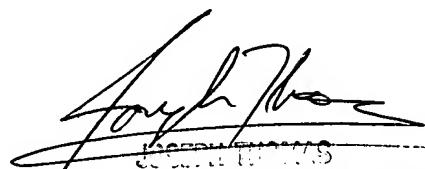
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on 571-272-6776. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should

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